UTC Power, Raser Announce Agreements for Geothermal Power Systems

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UTC Power, a United Technologies Corp. company, and Raser Technologies of Provo, **Utah**, have entered into a series of agreements for UTC Power to provide up to 135 PureCycle geothermal power systems for three Raser power plants.

In total, these systems will generate approximately 30 megawatts (MW) of renewable electrical power.

"We believe these types of renewable energy-producing power plants will be a significant part of the U.S. power production portfolio in the future," said Brent M. Cook, chief executive officer of Raser. "Accelerated development of domestic geothermal resources will produce electricity in an environmentally friendly way and contribute to energy independence. We are delighted to be associated with UTC Power, whose entry into geothermal power generation is a significant step in our nation's push toward energy independence."

The agreements announced today "contemplate a long-term relationship" in tapping geothermal resources to provide renewable power and in continuing to improve organic Rankine cycle power generation technology, the companies said.

The agreements also call for testing with respect to the possible adoption of motor technologies owned and licensed by Raser. Additionally, the agreement provide for certain down payments by Raser to UTC Power, and the financial terms reflect consideration for the technology development and field demonstration anticipated by Raser and UTC Power. Other financial terms of the transaction were not disclosed.

Delivery of the first 45 units begins in the fourth quarter of 2007 to the first of Raser's three initial geothermal sites. UTC Power has also signed a service agreement with Raser for maintenance of these units. UTC Power President Jan van Dokkum noted that the PureCycle system "will make it possible to tap into a significant new domestic renewable energy resource because it operates at previously unusable low temperatures -- from 165 to 300 degrees Fahrenheit. These units will

provide renewable power around the clock from a 'free' fuel source. The PureCycle system is an important addition to UTC Power's environmentally responsible product offerings and we look forward to working with Raser in aggressively deploying and advancing this technology."

Raser anticipates that the geothermal resources for its first three smaller, 10 MW power plants to be low-grade reliable heat sources of approximately 265 degrees F. All three geothermal plants are expected to be built on the company's leased properties. Heat sources may vary among locations, but plant designs are expected to be similar.

The plants should qualify for Renewable Energy Credits (RECs) and are also anticipated to be placed in service in time to qualify for Production Tax Credits (PTCs) and other tax benefits provided under the Internal Revenue Code.

The PureCycle geothermal system results from more than six years of research and development work involving UTC Power, United Technologies Research Center and the U.S. Department of Energy. The organic Rankine cycle- based power system is an advanced binary cycle system that is driven by a simple evaporation process and is entirely enclosed, which means it produces no emissions. The only byproduct is electricity, and the system's "fuel" -- geothermal hot water -- is a renewable resource.

PureCycle geothermal systems have been in operation since 2006 at Chena Hot Springs Resort in Alaska, as a U.S. Department of Energy Geothermal Technologies demonstration project. It is the first geothermal project in Alaska and the lowest temperature geothermal resource (165 F) ever used for commercial power generation.

"United Technologies is a great company that stands behind their products with significant capabilities both in personnel and in manufacturing resources," said Cook. "We anticipate working with UTC Power for many years in the future."

For more information, visit www.rasertech.com .